

File

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**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

00-00-00-02

2. STATE:

VERMONT

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

~~XXXXXXXXXX~~

December 1, 1997

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Social Security Act Section 1931

7. FEDERAL BUDGET IMPACT:

a. FFY 0 \$ 0

b. FFY 0 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Pages 1 - 2, Supplement 12,
Attachment 2.6-A9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

Eligibility for low-income families and children under Section 1931

11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

for Gov's Office
William C. Hoyt
Secretary of Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

M. Jane Kitchel

14. TITLE:

Secretary, Agency of Human Services

15. DATE SUBMITTED:

March 31, 2000

16. RETURN TO:

Marybeth McCaffrey, J.D.
Health Care Policy Analyst
DSW - PED
103 South Main Street
Waterbury, VT 05671**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

3/31/2000

18. DATE APPROVED:

June 6, 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

12-1-97

20. SIGNATURE OF REGIONAL OFFICIAL:

1
James B. Preston

21. TYPED NAME:

Ronald Preston

22. TITLE:

Associate Regional Administrator

23. REMARKS:

Revision:

Attachment 2.6-A
Supplement 12, Page 1STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: VERMONT
ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

☒ Pregnant women with no other eligible children will receive AFDC benefits as long as it has been medically verified that her expected delivery date falls within the next 30 days or, if she is either a minor or is unable to work due to a high-risk pregnancy, within the three-month period following the month of application, and it has been determined that the child would be eligible for ANFC if he or she were born.

☒ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

☐ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications:

☐ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

☒ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

Household Size	ANFC Payment Level	New Standard	ANFC Payment Level	New Standard
	July 16, 1996		July 16, 1996	
	(Within Chittenden County)		(Outside Chittenden County)	
1	\$436	454.31	\$396	412.63
2	\$536	558.51	\$496	516.83
3	\$636	662.71	\$597	622.07
4	\$715	745.03	\$676	704.39
5	\$802	835.68	\$762	794.00
6	\$857	892.99	\$818	852.36
7	\$954	994.07	\$914	952.39
8	\$1,036	1,079.51	\$996	1,037.83

(Cumulative increase in the CPI for the period 7/96-9/1/98 was 4.2%)

TN No. 00-02
Supersedes
TN No. None

Approval Date 06-06-01

Effective Date: 1/01/1999
JICFA ID:

Revision:

Attachment 2.6-A
Supplement 12, Page 2

_____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows: *For individuals who qualify for the categorically needy coverage group by meeting ANFC eligibility criteria, we exclude an amount equal to the difference between the ANFC payment level currently in effect and the ANFC payment level in effect on July 16, 1996.*

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

All income considered for ANFC eligibility was considered for the purposes of categorically needy coverage.

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

X The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997: *The Department of Health and Human Services' Administration for Children and Families authorized waivers of various provisions of the AFDC section of the Social Security Act for Vermont's Welfare Restructuring Project (WRP). The waiver provisions set forth on the attached pages apply to ANFC recipients, unless they are among the families included in the control group.*

2.2 WRP Provisions

The State will implement, for families eligible to receive assistance under the AFDC-Basic program and AFDC Unemployed Parent (AFDC-UP) program in the treatment group (as defined in 3.5, below), the following WRP provisions requiring waivers:

WRP Provisions - AFDC

- o Implementation of a community service jobs component under JOBS pursuant to which part or all of the participants' AFDC grant will be diverted to a wage pool from which they will be paid by the employing agency in the form of wages based on the participant's fulfillment of his or her work requirement.
- o A requirement that single parents and parents in two-parent households participate in the community service jobs, unless deferred or exempted under State policies developed for WRP.
- o The number of hours a parent will be required to participate in the community service job component (i.e., work at a subsidized job) or participate in community service job component in combination with

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another approved activity is as follows:

1) 86 hours per month (20 hours per week) or the hours equal to the family's AFDC grant divided by the Vermont minimum wage, whichever is less, if they are a single-parent or if they are the able-bodied parent in a two-parent family in which one parent is incapacitated, and they have at least one child younger than 13 years of age; and

2) 172 hours per month (40 hours per week) or the hours equal to the family's AFDC grant divided by the Vermont minimum wage, whichever is less, if they are the principal earner in a AFDC-UP case; or if they are a single-parent or if they are an able-bodied parent in a two-parent family in which one parent is incapacitated, and they have no child younger than 13 years of age.

The number of hours required for participation will be reduced hour for hour by the number of hours worked each month in unsubsidized employment except that hours of unsubsidized employment equal to 75 percent of the work requirement as determined in 1) or 2) above will be sufficient to meet the work requirement.

- o In cases of recoupment, the grant amount used to determine the hourly work requirement will be the amount of the AFDC entitlement prior to recoupment if the recoupment is a result of an overpayment due to client error; the grant amount will be the amount of the AFDC benefit issued (i.e., the amount of the AFDC entitlement after recoupment) if the recoupment is a result of agency error.
- o If the parent 1) has not accepted an unsubsidized job or 2) has accepted an unsubsidized job but the number of hours of work in the unsubsidized employment does not fulfill the total hourly requirement as specified above, and is not exempt, as specified in State policies for WRP, the requirement to participate in the community service jobs component will begin after the 30th month of receiving an AFDC grant for single-parent families and two-parent families with an incapacitated parent; it will begin after the 15th month of receipt for AFDC-UP families.
- o For families which are AFDC recipients on the implementation date, the requirement to participate in the community service jobs component begins after 15 or 30 months of cumulative AFDC receipt beginning with the

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first full calendar month of AFDC receipt after the family is informed of their random assignment status.

In determining whether the 15-month or 30-month time limit has been reached, the months of AFDC receipt shall be cumulative except that 6 months receipt shall be subtracted for each continuous period of intervening non-receipt lasting at least 12 months. An individual will receive a 6-month reduction for each continuous 12-month period during which the family has received reduced AFDC benefits and earned more than \$150 from an unsubsidized job during each month in the period. Individuals no longer working in their unsubsidized jobs because they have been fired with cause or have quit without good cause will not qualify for the 6-month reduction under this criterion. An individual may qualify for the 6-month reduction through a combination of non-receipt of AFDC benefits during some months and receipt of reduced AFDC benefits and earnings greater than \$150 from an unsubsidized job during each month of a continuous 12-month period. The definition of "an unsubsidized job" does not include self-employment derived from property rental and the provision of room and/or board to fewer than four households.

- o AFDC-UP recipients working 30 or more hours per week may be required to participate in JOBS.
- o The amount of wages which the worker will receive for the community service job will be determined based on both attendance and satisfactory performance as specified in State policies for WRP. A residual AFDC payment may be made when good cause exists for failure to work the available hours.
- o Payments by the AFDC agency for the employer's share of FICA, paid to entities providing community service job positions, and for Workers' Compensation and liability insurance policies that would cover all individuals participating in the community service jobs component, whether paid to reimburse employers for coverage they provide to employees in community service jobs or to purchase such coverage directly, will be expenditures incurred by the AFDC agency even if these payments, in combination with the wages paid to participants in this component, exceed the amount that would otherwise be payable under the Title IV-A plan if the family of each individual employed in the program had received the maximum amount of aid payable to such family with no income for a period of either 9 months or the length of the individual's employment in the program, whichever

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is less.

- o Non-exempt parents will have a requirement to participate in job search during the 2 month period prior to the period in which they must participate in the community service jobs component; if the parent continues on AFDC and has not obtained an unsubsidized job or has obtained an unsubsidized job that does not exempt them from the work requirement, participation in a 2-month period of job search will be required each year. In both instances, job search may be required without regard to prior job search participation during the previous 12 consecutive months. The penalty for failure to comply with this requirement is the same as the penalty for failure to comply with the work requirement.
- o When non-exempt parents fail, without good cause, to accept, quit, or are fired from an unsubsidized job, during any period of AFDC receipt following expiration of the family's time limit, or fail to participate in the community service jobs component, a penalty will be imposed. The penalty includes: 1) the issuance of AFDC benefits in the form of vendor payments for the assistance unit's expenses attributable to housing, food, fuel and other utilities; 2) the issuance of any undisbursed balance to the assistance unit at the two meetings related to expense reporting, as described in 5) below (unless the second meeting occurs before the 16th of the month in which case the remaining undisbursed balance shall be mailed for receipt on the 16th of the month); 3) benefits being determined using prospective budgeting; 4) a requirement that the non-exempt parent report his or her circumstances monthly; 5) a requirement that the parent attend meetings on 3 separate days each month with a case worker (two to facilitate the expense reporting process and authorize benefit issuance via vendor payments and one to address the parent's noncompliance, including developing or revising the family development plan and encouraging the parent to meet the program requirements). The family will lose the right to receive any of the AFDC benefit by mail or electronic transfer. The penalty will not terminate until the parent accepts an unsubsidized or community service job that fulfills his or her work requirement or until he or she becomes exempt from the requirement. A community service job will not be offered to an individual under the penalty unless such parent has satisfactorily participated in 2 months of job search immediately prior to the offer of

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a community service job. Based on a case manager's assessment, the job search requirement may be modified to allow for substitution of an approved alternative activity for up to 4 weeks of the required 2 month period.

Failure by the non-exempt parent to comply with any of the requirements under the penalty (i.e., vendor payments and related requirements specified above) will result in termination of issuance of AFDC benefits (i.e., both the portion issued as vendor payments and the undisbursed portion issued to the assistance unit). The penalty will not terminate until the non-exempt parent has satisfactorily complied with the required work activity for 2 weeks or becomes exempt from the requirement.

Adequate notice must be provided not later than the date of action when benefits are terminated because of failure to comply with the requirements under the penalty. The adequate notice must advise the individual of the right to have assistance immediately reinstated to the date of action pending the hearing decision if he or she makes a request for a hearing and reinstatement within 10 days after the date of the notice.

- o Parents with temporary disabilities, who would otherwise be required to accept an unsubsidized or community service job, will be required to participate in rehabilitation and training programs. The consequence for failure to comply with this requirement is loss of the deferral (based on the temporary disability) from the work requirement.
- o Parents who have been assigned to the experimental groups subject to time limits, whose time limit has expired, and who are the primary caretaker of a child who is at least 6 months but not yet 18 months old will be required to participate in JOBS but not the community service job component. These parents' requirement to participate in the community service job component begins when the child becomes 18 months old.
- o A recipient in her second or third trimester of pregnancy will be required 1) to participate in JOBS and 2) if employed at the onset of pregnancy, to remain employed in that employment unless there has been a medical determination that she is unable to participate or she is otherwise exempt based on criteria established by the State.

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- o Incentive payments may be provided to parents who successfully complete parenting education and other approved activities.
- o In the second step of determining the eligibility of a new applicant, after gross income is compared to 185 percent of the need standard, the \$90 standard employment expense deduction is excluded from earnings, as provided under current rules. In addition, in the case of an individual who reapplied for assistance within the 8-month period that he or she is eligible for the \$30 disregard but who has not received assistance within the past 4 months, \$30 of earnings is also disregarded, as provided under current rules. If a case is found eligible after application of the 185 percent of need calculation and after the second step of determining eligibility as described here, a permanent earned income disregard of \$150 plus 25 percent of the remaining gross income per month will be provided instead of the current disregards for both AFDC applicants and recipients who are employed in unsubsidized jobs.
- o Recipients receiving wages from subsidized employment under the community service jobs component will receive a \$90 work expense disregard.
- o Recipients who are employed in one or more community service jobs may not claim good cause if the level of earnings from such employment, less necessary work-related expenses, is less than the assistance unit's AFDC grant plus other countable income since the recipient's wages shall be the basis for his or her potential receipt of Federal and State Earned Income Credits that will compensate for the excess work-related expenses. The State will provide assistance to such persons to facilitate their receipt of the Earned Income Credits as advance payments.
- o Eligibility for AFDC-UP applicants and recipients will be determined without regard to the 30-day unemployment requirement, the six-quarter work history requirement (including the unemployment compensation requirement), and the 100-hour definition of employment. The elimination of the 100-hour definition of unemployment extends the definition of "unemployed parent" to families in which the principal earner works 100 or more hours per month.

[Note: It follows that the principal earner in an

AFDC-UP case would be required to accept an unsubsidized job even if the level of earnings, less the \$150 plus 25 percent of the remainder earned income disregard, is lower than the AFDC grant since the family continues to be eligible for AFDC benefits without regard to the 100-hour rule.]

- c The value of assets accumulated from earnings received following the assistance unit's assignment to one of the experimental groups and subsequent receipt of AFDC benefits, and the interest earned on those assets, will be disregarded when determining eligibility for and the amount of AFDC. This will include the value of assets accumulated from earnings during periods of receipt of AFDC as well as periods of nonreceipt of AFDC, as long as the owner of the assets accumulated them after receiving AFDC benefits subsequent to random assignment.
- o Certain employment and training stipends paid by JTPA to adult recipients, or portions thereof, will be disregarded as income without time limit when calculating need and amount of assistance under AFDC.
- o One licensed vehicle, with no limit to the value, will be excluded as a resource and the equity value of any other vehicle(s) will be counted as a resource. In addition, proceeds from the sale of the excluded vehicle are also excluded as a resource when the vehicle is replaced with another vehicle within 30 days of the sale. The exclusion of the proceeds applies during the 30-day period.
- o AFDC benefit payments may be provided to needy children who would be dependent children but for the fact that they are not living with a relative specified in section 406(a) of the Social Security Act and to needy caretakers of such children who are not relatives specified in section 406(a) but who are fulfilling a parental role, when it is determined to be in the best interest of the child to do so. The non-relative caretaker who qualifies for AFDC under this provision will be excluded from JOBS participation. Families determined eligible for AFDC pursuant to this provision may be eligible for Emergency Assistance. Other families for whom this provision may be relevant may be eligible for Emergency Assistance as specified in State policies for WRP.
- c A family which becomes ineligible for AFDC benefits because court-ordered child support payments exceed its AFDC entitlement may have an AFDC benefit paid

automatically when child support paid to the family falls below its AFDC entitlement. There will not be a requirement for a written application. Payments may be made, effective the first of the month, during any month within the next consecutive 12 months. Except for the months in which an AFDC payment is issued, the family will be treated as a closed AFDC case. As with other AFDC cases under the demonstration, in these cases current child support paid to the Office of Child Support Services within a calendar month will be paid to the AFDC family in the second month following the month in which it was received.

- o AFDC benefits will begin at the date of application, instead of the date of approval, for families who become AFDC-eligible solely because of the loss of child support within 12 months of termination of AFDC benefits due to excess child support.
- o AFDC payment will be made in amounts less than \$10 when direct child support payment reduces the AFDC payment below the \$10 payment minimum.
- o Pregnant women with no other children will receive AFDC benefits as long as the expected delivery date falls within the first month of payment or the next 3 months under the following conditions:
 - o the pregnant woman is a minor
 - o the pregnant woman is unable to work because of a high-risk pregnancy, and the Commissioner of the Department of Social Welfare or the Commissioner's designee, has concurred based on documented medical factors
 - o As of June 30, 1996, the pregnant woman was eligible for and receiving AFDC benefits based on her pregnancy and the policy in effect on that date.

WRP Provisions - Child Support

- o All current child support payments (including the \$50 pass-through plus the excess) paid to the Office of Child Support Services within a calendar month will be disbursed to AFDC families not on vendor payments in the second month following the month in which it was received and such payments in excess of the \$50 pass-through will be counted as income in that month in calculating the AFDC grant and the Food Stamp calculation. The amount of child support payments in

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excess of \$50 to be counted in determining the AFDC grant will be the amount prior to the recoupment of an overpayment of child support due to client error.

- o Notice requirements will be waived when combined total income from AFDC and child support payments does not change, but the AFDC benefit is reduced solely because the child support payment is higher. Notice requirements will be met if the AFDC benefit will be terminated for any reason.
- o Monthly child support in excess of \$50 retained in order to be paid in a subsequent month under the direct child support provision but not paid because the direct child support payment schedule ends will be disbursed as follows. The final 2 months of child support retained, less the \$50 pass through for each month, will be retained to offset AFDC paid in the first 2 months of child support receipt when child support received in these months was retained in order that it be paid directly to the recipient in the third and fourth months, respectively. Any amount in excess of the AFDC recouped, will be sent to the family in the first month following the end of the direct child support payment schedule, except that any amount paid in excess of the child support obligation for the last 2 months will be used to offset past assistance payments made to the family for which the State has not been reimbursed. The delayed payment schedule ends when (1) AFDC eligibility ends for some reason other than excess child support, or (2) the 12-month administrative period following AFDC closure due to excess child support ends.
- o For families on vendor payments, the \$50 pass through will be disbursed in the second month following the month in which the child support was received.